



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

May 8, 2000

CERTIFIED RETURN RECEIPT  
P 074 976 834

Stephen E. Flechner, President and CEO  
North Lily Mining Company  
1800 Glenarm Place Suite 210  
Denver, Colorado 80202

Re : Acceptance of Closure and Reclamation Schedule, North Lily Mining Company, Tintic Project, M/023/007, Juab County, Utah

Dear Mr. Flechner:

On April 18, 2000, the Division received the proposals for Excess Fluid Management and Reclamation Closure Implementation Plans from JBR Environmental Consultants for the Tintic Project. We have reviewed both of the proposals and will be sending a few review comments to you shortly, under a separate letter. We will try and coordinate our review with the Division of Water Quality to the extent possible. We recognize the urgency of completing an expeditious review in order to enable you to complete the necessary closure work during this field season.

We are in agreement with and hereby accept your proposed schedule. However, in recognition of the unforeseen circumstances and time delays that you have verbally advised us of since your consultant's facsimiles were received (April 18, 2000), a revised time schedule will be required with updated dates within *three days* of your receipt of this letter. A firm *start up date* for commencement of the proposed closure work must be included in your schedule. This date will be tied to a Division "consent decree" that will be prepared by counsel tying the final negotiated closure and reclamation plan to the project.

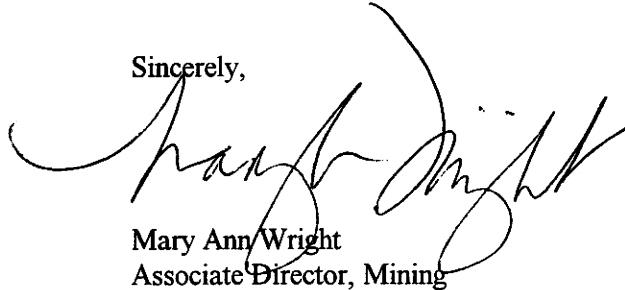
Additionally, we are rapidly approaching May 16<sup>th</sup>, the first scheduled Assessment Review & Schedule Readjustment date. We propose a conference call between the involved parties on that date rather than a face to face meeting. We will contact you a few days prior to this date, to make appropriate calling arrangements.

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If you have questions regarding this letter or its requirements, please contact me or Wayne Hedberg at (801) 538-5306 and 538-5286, respectively.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Wright". The signature is fluid and cursive, with a large loop at the end.

Mary Ann Wright  
Associate Director, Mining

jb  
cc: Robert Bayer, JBR Consultants  
Dennis Frederick, DWQ  
Tom Mitchell, DOGM  
Wayne Hedberg, DOGM  
Doug Jensen, DOGM  
M23-07.schedule